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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10

11 SAM WILLIAMSON, individually and on
12 behalf of all others similarly situated,

13 Plaintiff,

14 v.

15 MCAFEE, INC.,

16 Defendant.
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Case No. 5:14-cv-00158-EJD

**DECLARATION OF DANIEL HATTIS IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
SETTLEMENT**

Date: August 18, 2016
Time: 10:00 a.m.
Honorable Edward J. Davila

18
19 SAMANTHA KIRBY, individually and on
20 behalf of all others similarly situated,

21 Plaintiff,

22 v.

23 MCAFEE, INC.,

24 Defendant.
25

Case No. 5:14-cv-02475-EJD

1 I, Daniel M. Hattis, declare as follows:

2 1. I have personal knowledge of the facts set forth herein, and if called to testify
3 thereto, I could and would do so competently.

4 2. I am a member in good standing of the California State Bar and the Washington
5 State Bar, and am the principal attorney at the Law Offices of Daniel M. Hattis d/b/a Hattis Law
6 ("Hattis Law"). I am one of the attorneys representing Plaintiffs in the Williamson v. McAfee,
7 Inc. case. I submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of
8 Class Action Settlement.
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10 3. I received my law degree from the University of California at Berkeley School of
11 Law (Boalt Hall) in 1999. From 2004 through 2011, I worked as an attorney at the Law Offices of
12 Angelo Salvatore Parise, where I litigated dozens of cases, in addition to working on transactional
13 and intellectual property matters.
14

15 4. In 2011, I was appointed co-class counsel, together with Lieff Cabraser Heimann
16 & Bernstein LLP ("LCHB"), in a false discount advertising case of first impression, Brazil v. Dell
17 Inc., No. C-07-01700 RMW (N.D. Cal.). After getting a class certified, we obtained a court-
18 approved class settlement, pursuant to which Dell agreed to provide a \$50 cash payment to each
19 class member who submitted a valid claim. In addition, Dell changed its methodology for
20 consumer online advertising because of the case. In 2015, I was appointed co-class counsel,
21 together with LCHB, in a false advertising case, In Re: TracFone Unlimited Service Plan
22 Litigation, 13-cv-03440-EMC (N.D. Cal.). We obtained a court-approved class settlement,
23 pursuant to which TracFone agreed to provide a non-reversionary \$40 million settlement fund
24 from which eligible customers who submitted valid claims could receive a cash payments. I
25 continue to work closely with LCHB on investigating and prosecuting complex consumer
26 protection class actions. For LCHB's qualifications, see Declaration of Roger N. Heller, filed
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1 herewith.

2 5. In 2008, I founded Hattis Law, a class action law firm specializing in false
3 advertising cases. As principal of Hattis Law, I have performed a significant amount of class
4 action litigation work, including being involved in all aspects of the litigation and settlement of
5 this case. I am also currently serving as plaintiff's counsel in the class case, Bekkerman Et Al. v.
6 California Board of Equalization Et Al., Case No. 2:16-cv-00709-MCE-EFB (E.D. Cal.).
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8 6. In addition to my work as an attorney, I have considerable experience in the
9 technology and software industries. For example, in 1998, I co-founded Rentals.com, Inc., which
10 built and supplied software and Internet solutions for the rental housing industry. While there, I
11 managed and worked with software engineers to build and develop various computer
12 technologies. In 2001, I co-founded an investment bank, SG Capital, LLC, where I advised
13 technology companies regarding capital raising, acquisitions and other transactional matters. In
14 2007, I co-founded Sesh.com, Inc. ("Sesh"), a Web-based communications company that enables
15 "co-browsing" of Web pages (i.e., multiple users browsing the same Web page at the same time).
16 During my time at these companies, I have developed a strong familiarity with Internet and
17 database technologies, knowledge that has been instrumental in investigating, prosecuting, and
18 bringing this matter to a successful resolution.
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20 7. I have dedicated a significant amount of time and resources to investigating and
21 litigating this matter to date. Hattis Law began an investigation of McAfee's auto-renewal and
22 advertising practices after receiving complaints about McAfee's auto-renewal practices in late
23 2011. Since that time, I have spoken with over two dozen McAfee customers regarding their
24 complaints about McAfee's auto-renewal and pricing practices. As part of this investigation, I
25 visited several retail stores including Fry's Electronics and Best Buy to survey, purchase and
26 review McAfee's packaging, advertising and End User License Agreements ("EULAs"). I
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1 purchased and activated several McAfee software product subscriptions to examine the sign up
2 process and pertinent disclosures and EULAs.

3 8. Hattis Law developed, at significant cost, a proprietary and sophisticated tracking
4 mechanism which extracted and compiled, on a daily basis, pricing and other information directly
5 from McAfee's website and the websites of other retailers selling McAfee products. Hattis Law
6 collected daily pricing history and screenshots from these websites beginning in March 2012,
7 nearly 2 years before the Williamson case was filed. In all, more than 100,000 records were
8 compiled and organized for analysis. These daily records and analysis were used as a basis for
9 Plaintiffs' claims regarding McAfee's auto-renewal pricing practices and its use of reference
10 prices that Plaintiffs alleged did not represent McAfee's regular selling prices for the products in
11 question. This analysis was used to create historical pricing charts included in Plaintiff
12 Williamson's complaint. Hattis Law spent nearly 200 hours investigating, documenting and
13 analyzing this evidence, and cross-referencing it with the experiences of complaining customers
14 including Plaintiff Sam Williamson.

17 9. After filing suit in 2014, Hattis Law continued to track McAfee pricing. In 2015,
18 Plaintiffs' counsel obtained in discovery McAfee's complete transactional database going back to
19 2008 for the products in question. The data contained tens of millions of records. Hattis Law
20 hired an experienced database software engineer and statistician, at significant cost, to do a deep
21 dive into the data and to cross-reference the data with our own database of tracked prices. We
22 thoroughly analyzed the entire data set (rather than sampling), performing multiple regression
23 analyses. Our analysis also determined that certain data had been inadvertently left out of
24 McAfee's production. After this additional data was provided, the entire dataset was re-analyzed.
25 I spent approximately 122 hours analyzing the McAfee transactional data.

26 10. Hattis Law partnered with LCHB in filing and prosecuting the Williamson v.
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1 McAfee action, and I have worked closely in particular with LCHB partners Michael Sobol and
2 Roger Heller on this case since June 2013. I have been involved in all aspects of the litigation of
3 this case, including: Plaintiffs' pre-litigation investigation of the issues addressed in this case;
4 working with the named Plaintiff Sam Williamson; assisting LCHB in drafting complaints,
5 motions, pleadings, and settlement documents in these actions; reviewing documents produced in
6 discovery by McAfee including the transactional data described above; and developing the
7 damages model used in the case.
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9 11. My former associate attorney Kirill M. Devyatov also expended a significant
10 amount of time litigating this case. Mr. Devyatov worked at Hattis Law from August 2014
11 through May 2015. Prior to that, Mr. Devyatov worked for Kemnitzer, Barron & Krieg, LLP, a
12 firm dedicated to consumer protection class and individual actions. Mr. Devyatov started
13 working at the Kemnitzer firm prior to attending law school and worked there for more than 5
14 years, finishing his employment there as a licensed attorney. While at the Kemnitzer firm, Mr.
15 Devyatov was involved in all steps of class action litigation including the initial client interview,
16 filing complaints, drafting motions, conducting discovery, and working on settlement agreements.
17 Mr. Devyatov graduated from University of San Francisco School of Law in May 2013, and
18 received his law license in December 2013.
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20 12. Together with LCHB and also Adhoot & Wolfson, PC, I have closely participated
21 in the resolution of these cases with opposing counsel, as well as in the extensive arms-length
22 settlement negotiations, including a full-day mediation session with Prof. Eric Green of
23 Resolutions, LLC on April 8, 2015 and continued negotiations over many months with Prof.
24 Green's assistance. These negotiations resulted in a strong Settlement and a robust class notice
25 program (a copy of the Settlement is attached to the Declaration of Roger N. Heller, filed
26 herewith). Our litigation and settlement efforts yielded not only substantial monetary relief for
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1 the Auto-Renewal Class, but also important practice changes by McAfee addressing both the
2 auto-renewal pricing and reference price claims in the litigation

3 13. I believe the Settlement reached in this case represents a fair, adequate, and
4 reasonable result for the Class Members. Throughout the settlement process, and before finally
5 entering into the Settlement Agreement, I discussed the Settlement terms in detail with Plaintiff
6 Sam Williamson. I also discussed with him the benefits of the Settlement as well as the risks and
7 uncertainty of continuing to litigate the case.
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9 14. The Settlement provides substantial and valuable relief. All members of the Auto-
10 Renewal Class will receive an \$11.50 benefit without having to take any action. They will each
11 have the choice of receiving the \$11.50 benefit as cash by filing a Cash Election form, or, if they
12 do not file a Cash Election form, they will still receive the benefit in the form of an \$11.50
13 McAfee value certificate. Based on the analysis that we performed of the McAfee transactional
14 data, the \$11.50 benefit amount represents approximately one-half of the average alleged
15 overcharge for auto-renewal transactions during the class period, which is a strong result. In
16 addition, the practice changes required by the Settlement are significant. They make McAfee's
17 auto-renewal pricing policies clearer so that customers can make a more informed choice in their
18 purchases and renewals from McAfee, and will help ensure that McAfee's advertised reference
19 prices have an appropriate basis.
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22 15. Meanwhile, McAfee has presented significant arguments and defenses in this case.
23 These arguments include: McAfee's disclosures regarding auto-renewal pricing would not
24 mislead a reasonable consumer; its auto-renewal pricing policies were disclosed in its form
25 consumer agreements; auto-renewal customers were sent advance notice of the prices they would
26 be charged and could cancel their renewed subscriptions after being charged; its advertised
27 reference prices were sufficiently based on auto-renewal sales prices or other sales prices of the
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1 products; customers got software products worth what they paid; and its reference prices would
2 not mislead a reasonable customer.

3 16. I strongly believe that this Settlement Agreement is an excellent result for Class
4 Members and provides not only substantial monetary relief, but also important practice changes
5 which will benefit millions of consumers. I am proud to have played a part in the Settlement
6 Plaintiffs have achieved in this case.
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8 I declare under penalty of perjury that the foregoing is true and correct and that this
9 Declaration was signed in Clyde Hill, Washington on July 13, 2016.

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12 DANIEL M. HATTIS